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Program Manager

» Overview

Program history (brief)

» Process

A few complete project photographs



What is a Brownfield?

What is a Grayfield?



Brownfield

"...an abandoned, idled, or underutilized industrial or commercial facility where expansion or redevelopment is complicated by real or perceived environmental contamination."



Say Grayfield

"industrial or commercial properties that are vacant, blighted, obsolete, or otherwise underutilized. A grayfield has been developed and has infrastructure in place but the property's current use is outdated or prevents a better or more efficient use of the property."



Supplied to the supplied of the supplied of

- "...having improvements and infrastructure that are at least twenty-five years old and one or more of the following conditions exists:
- Thirty percent or more of a building located on the property that is available for occupancy has been vacant or unoccupied for a period of twelve months or more.
- The assessed value of the improvements on the property has decreased by twenty-five percent or more.
- The property is currently being used as a parking lot.
- » The improvements on the property no longer exist."



The Program:

- » Applicants range from individuals to corporations
- Provides transferable investment tax credits
- Good for 5 years from date of issue
- » Based on owner's equity investment only
- Purchase price, cleanup costs, redevelopment costs
- Brownfield= 24% (30% if green)



The Program:

- First come first served until exhausted
- Only costs incurred and paid after IEDA Board approval
- Cost Certification required by independent Iowa CPA
- Maximum of \$1 million per project (10% of allotment)
- 30 months to complete project
- Projects not funded due to cap receive priority consideration
- Orayfield = 12% (15% if green)
- » Brownfield= 24% (30% if green)



Green Development Designation

- "...meets or exceeds the sustainable design standards established by the state building code commissioner pursuant to section 103A.8B."
- Sustainable design standards can be found in Iowa Administrative Code section 661—chapter 310.
- » Approval of a redevelopment project as sustainably designed is only granted by the Iowa Building Code Commissioner.



- May, 2008 Governor Culver signed 2008 Iowa Acts, Chapter 1173 into law
- Investment deemed to have been made upon project completion
- Investment prior to Jan. 1, 2009 or after June 30, 2010 didn't qualify
- \$1 million statewide program cap
- \$100k maximum per project (10% of total)



- FY 2010- there were 12 contracts offered
- Total project expenses just over \$23 million/\$951,036 in tax credits
 - (just over \$23-1)
- 7 claims for tax credits, \$546,510 issued/just over \$13 million projects
 - (just shy of \$24-1)



- Sovernor Branstad signed 2011 Iowa Acts, Chapter 116 into law
- » Program cap raised to \$5 million
- Required "...an audit of the project, completed by an independent certified public accountant licensed in this state..." (cost certification)
- \$500k maximum per project (10% of total)
- Sunset provision: automatic repeal on June 30, 2021



- FY 2012- there were 21 contracts offered
- Total project expenses over \$100 million/\$5 million in tax credits
 - (just over \$20-1)
- 4 claims to date= \$928,076 issued/over \$11 million projects
 - (over \$12-1)
 - Project completion deadlines begin on April 20, 2014



- FY 2013- there were 16 contracts offered
- Total project expenses over \$61 million/\$5 million in tax credits
 - (just over \$12-1)
- 1 claim to = \$500,000 issued/ \$13.5 million project
 - (over \$27-1)
 - Project completion deadlines begin on February 17, 2015



- Governor Branstad signed HF 620 into law in June, 2013
- Program cap raised to \$10 million
- \$1 million maximum per project (10% of total)



- FY 2014- there have been 19 contracts offered
- Total project expenses over \$120 million/\$10 million in tax credits
 - (just over \$12-1)
- 24 Applications in line to date for FY 2015



>> The Process

- Applications accepted on an ongoing basis
- Considered first come first served by Brownfield Advisory Council
- Priority Consideration if cap is reached (remain in line)
- » Recommendations to IEDA Board
- Award letter followed by contract



The Process

- Upon project completion, <u>claim</u> is submitted to IEDA
- Statement certifying project is complete
- Articles of Incorporation and Certificate of Existence
- Solid or Hazardous waste audit
- » Release of Confidential Tax Information form
- *Schedule of claimed expenses and supporting documentation* (Cost Certification from independent CPA Licensed in Iowa)
- » Site Visit
- » Review of all submitted claim information by IEDA CFO
- » Tax Credit Certificate issued





Brownfield \$440,000 Project, \$100,000 Tax Credits





Brownfield \$1,156,446 Project, \$83,036 Tax Credits





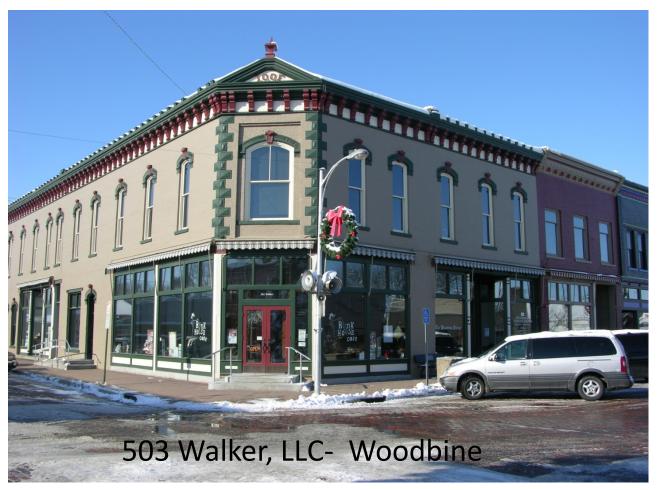
Grayfield \$13,500,000 Project, \$500,000 Tax Credits





Brownfield \$1,331,074 project, \$319,458 Tax Credits





Grayfield \$1,035,000 project, \$100,000 Tax Credits



» Questions?

Now and/or after Zhong with Department of Revenue)

